



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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Bulletin 4-79

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**INDIVIDUAL DISABILITY INSURANCE
RATE FILINGS**

Ark. Stat. Ann. § 66-3209 provides that no rates for individual disability insurance policies may be used on policy forms issued in this State unless such rates have been filed with and approved by the Insurance Commissioner. Insurers making premium rate filings in compliance with this Act shall furnish the following data:

- a) A description of the type of coverage and a designation of the policy or contract form number affected by the proposed rate. A separate filing must be made for each policy or contract form number. If the proposed rate is for a contract or policy form not currently approved for use in Arkansas, such form should accompany the filing.
- b) If the proposed rate is a rate revision for a policy or contract form currently approved for use in Arkansas, a statement of the history of the rates.
- c) A statement of the approximate number of persons in Arkansas affected by the proposed rates.
- d) If the proposed rate is a rate revision for a policy or contract form currently approved, a description of the percentage rate increase; if not a level increase this statement should include the maximum, minimum and average rate increase.
- e) If the proposed rate is a rate revision for a policy or contract form currently approved, a description of the latest three calendar years experience on an earned premium to incurred claim basis for the policy or contract form.
- f) A statement as to how the proposed rate applies to anticipated experience or, if the proposed rate is a rate revision for a policy or contract form currently approved, a statement as to how the proposed rate applies to actual experience and anticipated experience.
- g) An actuarial certification indicating that, in the belief of the actuary, the proposed rate or rate revision does not discriminate unfairly between policyholders.

The completeness and accuracy of the data furnished in a filing should be certified to by an officer of the insurer. Two copies of the filing should be submitted to the Department.

A proposed rate revision for an individual disability insurance policy currently approved in the State of Arkansas will receive expedited approval by the Insurance Department if the following conditions are met:

- a) The average rate increase is less than thirty percent;

- b) The number of Arkansas citizens affected is less than one hundred;
- c) No rate revision for the insurance product has become effective within the
- d) past twelve months;
- e) The effective date of the proposed rate revision will be no earlier than the next policy anniversary following sixty days after the date of the filing;
- f) Notice of the rate revision will be given to the policyholder at least thirty days
- g) prior to the first due date of the revised premium.

An insurer wishing to have a rate revision considered for expedited approval shall state in writing that the filing is being made for expedited approval in compliance with this bulletin. Upon receipt of a filing made for expedited approval the Department will, after it has been determined that the requisite conditions are met and the appropriate data furnished, stamp one copy of the filing approved and return it to the insurer. If the filing is found not to meet the conditions set forth in this paragraph, the Department will notify the insurer that the proposed rate revision will be subject to standard review procedures.

W. H. L. Woodyard, III
INSURANCE COMMISSIONER